National Security Personnel System

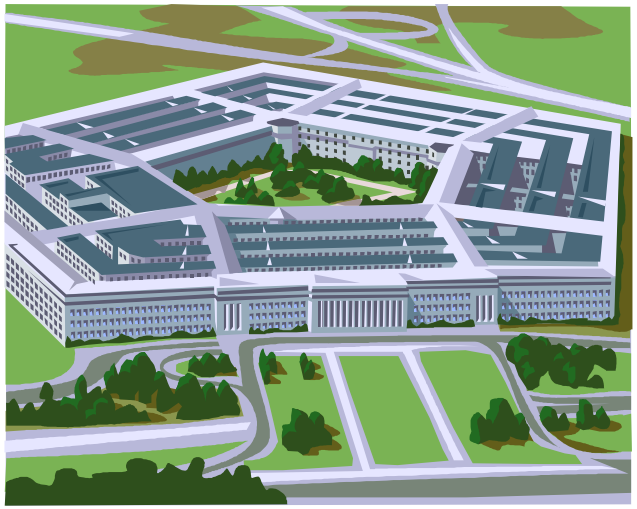
Mr. John Nerger
HQ TRADOC
15 May 2007

"Victory Starts Here!"

Background

Congress authorized NSPS

- Part of the fiscal 2004 National Defense Authorization Act
- Designed specifically to meet National Defense needs
- Increases effectiveness through more flexible personnel management system



Bottom Line Up Front

- **Mission oriented**
- **Focus on results**
- **Values performance over longevity**
- **Rewards contributions**
- **Promotes excellence**

NSPS Does Not Change

- **Merit system principles**
- **Rules against prohibited personnel practices**
- **Whistleblower protection**
- **Veterans' preference**
- **EEO/antidiscrimination laws**
- **Benefits (retirement, health, life, etc.)**
- **Fundamental due process**

- **Allowances and travel/subsistence expenses**
- **Training**
- **Leave and work schedules**
- **Other personnel systems in law**
- **Lab demo organizations (until FY 08)**
- **Incentive awards**

Civilian Transformation Environment

- **National Security Personnel System**
  - **Monumental change in traditional civilian personnel system**
  - **Implementation over 3 year period (06-09)**
  - **TRADOC's first employees deployed Jan 21, 2007**

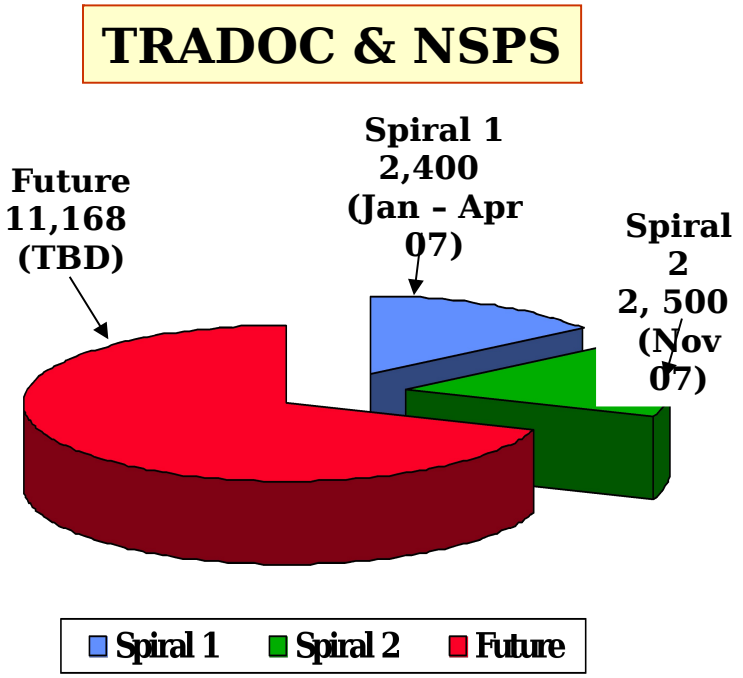
- **BRAC Transformation**
  - **Base Realignment and Closure**
    - » **3200 employees affected**
    - » **1 closure**
    - » **9 realignments**
  - **Stand up 8 Centers of Excellence**

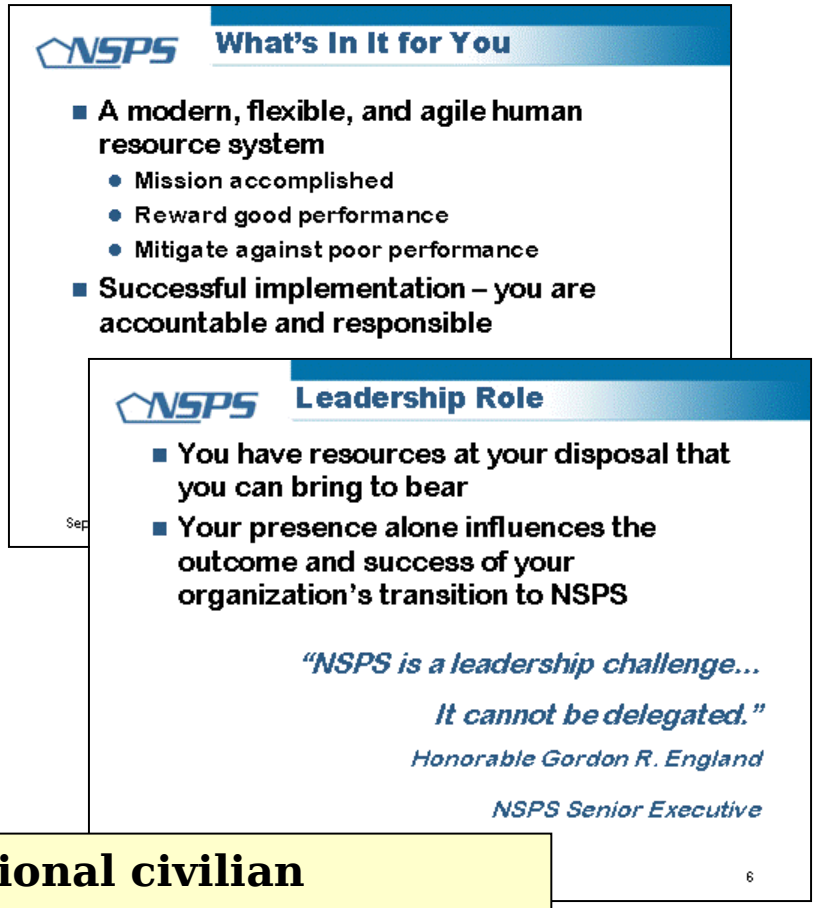
- **TRADOC Civilian Leader Development Program**
  - **Civilians are trained and developed as leaders**
  - **Pentathlete- Lead and manage change, think strategically**
  - **Represent Army across organizations**

Current Status

- **Spiral 1.1 activities converted to NSPS on 30 Apr 06**
- **Spiral 1.2 activities converted to NSPS on 12 Nov 06 & 21 Jan 07**
  - » **Army Management Staff College**
- **Spiral 1.3 activities convert to NSPS on 18 Mar 07 & 15 Apr 07**
  - » **Chaplain School (18 Mar 07)**
  - » **Joint Readiness Training Center, Soldier Support Center, Recruiting Command Regions Brigades/Battalions (not all) ,Cadet Command Regions, HQ MEPCOM, Ordnance Center and School, and TRAC WSMR (15 Apr 07)**
- **Test of NSPS processes and procedures**
- **Will be closely monitored by DoD and Components**
- **27 Feb 2006 Court Decision enjoined DoD from implementing Labor Relations, Adverse Actions and Appeals**
- **Spiral 2 - Oct 07 to Mar 08**
  - **TRADOC 11 November 2007**
    - » **2500 Non-bargaining unit employees throughout the command**
- **Spiral 3 - Proposed Oct 08**

NSPS & TRADOC




NSPS
What's In It for You
A modern, flexible, and agile human resource system
Mission accomplished
Reward good performance
Mitigate against poor performance
Successful implementation – you are accountable and responsible
NSPS
Leadership Role
You have resources at your disposal that you can bring to bear
Your presence alone influences the outcome and success of your organization's transition to NSPS
"NSPS is a leadership challenge...
It cannot be delegated."
Honorable Gordon R. England
NSPS Senior Executive
6

- **Monumental change to traditional civilian personnel system**
- **Partial implementation over 3-year period FY 06-09**
- **Spiral 1: Approximately 2,400 TRADOC employees -Jan to Apr 07**
- **Spiral 2: Approximately 2,500 non-bargaining unit empl – Nov 07**

NSPS Major Design Elements

- **Compensation**
  - Pay bands will replace GS grades and steps
  - Movement through pay band based on performance
- **Pay for Performance**
  - Performance expectations linked to organizational mission goals
  - Ongoing communication essential
  - Greater recognition of superior performance/less pay for poor performance
- **Streamlined Position Classification**
  - Fewer, more generic position descriptions
  - Broad career groups
  - More flexibility in making/changing work assignments

NSPS Major Design Elements cont.

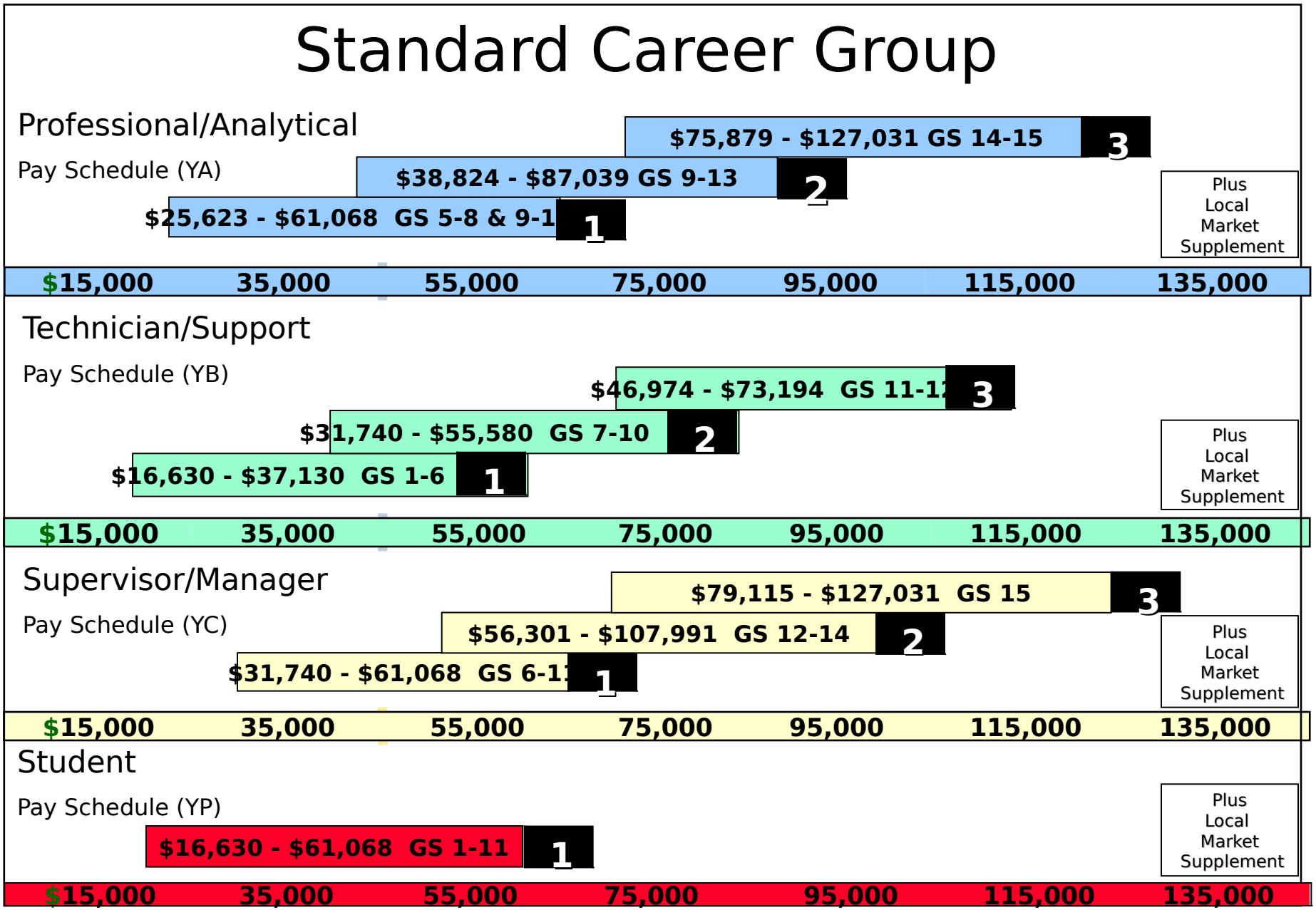
- **Hiring and Placement – More Flexibility**
  - New hiring authorities tailored to DoD needs
  - Non-competitive career progression within pay band
  - Managers may set pay based on market conditions
- **New Reduction in Force Procedures**
  - Emphasis on performance over seniority
  - Veterans preference preserved
  - More flexibility in defining competitive area
- **New Flexibilities to Manage Work Force**
  - Decision-makers must understand how flexibilities can be exercised to drive individual performance and organizational goals
  - Managers make more decisions on hiring processes, incentives, compensation and work force shaping

Career Groups/Pay Schedules

STANDARD	ENGINEERING & SCIENTIFIC
• Professional/Analytical (YA) • Tech/Support (YB) • Supervisor/Manager (YC) • Student Employment (YP)* 71% of DoD workforce	• Professional (YD) •Tech/Support (YE) • Supervisor/Manager (YF) 18% of DoD workforce
MEDICAL	**INVESTIGATIVE & PROTECTIVE SERVICES**
Physician/Dentist (YG) • Professional (YH) • Tech/Support (YI) • Supervisor/Manager (YJ) 5% of DoD workforce	•Investigative (YK) • Fire Protection (YL) • Police/Guard (YM) • Supervisor/Manager (YN) 6% of DoD workforce

***Student Employment (YP) covers all 4 groups.**

Standard Career Group



This pay chart reflects 2007 base salary only.

Compensation

Performance-Based Pay

- Annual pay raises or bonuses based on performance
- High-performing employees can get higher pay raises
- Employees must perform at “Valued Performance” (Level 3) or higher to get any increase

Rate Range Increases

- Nation-wide salary adjustments, may vary by pay band
- Employees must perform at “Fair” (Level 2) or higher to get any increase

Local Market Supplement Increases

- Similar but not identical to locality pay - addition to base pay
- Based on geographic or occupation market conditions
- In given area, can differ from one occupation to another
- Employees must perform at “Fair” (Level 2) or higher to get any increase

Other Features

- Rate ranges and local market supplements are reviewed annually
- 6% minimum salary increase for promotions
- Eligibility for salary increase for reassignment/reduction in band

Pay bands replace General Schedule

What Constitutes Compensation

General Schedule

Worldwide Base Rate

+

Special Rate Supplement

Based on occupation/ geographic locality

OR

CONUS Locality Pay

All GS employees in covered locality get same %

+

Step Increases

=

Adjusted Salary

+

Bonuses

Cash Awards

NSPS

Worldwide Base Rate

+

Local Market Supplement

Variable by career group, pay schedule, occupation, &/or pay band

+

Performance Based Pay Adjustment

=

Adjusted Salary

+

Performance Based Bonuses

Cash Awards

"Victory Starts Here!"

Pay Overview

SECDEF Decisions
(Outside Pay Pool)

- Rate Range Adjustments *
- Local Market Supplement (LMS) *

Performance-Based Pay
(Inside Pay Pool)
[may be Continuing and/or Bonus]

- WGIs **
- QSIs **
- Promotions
- Annual Bonuses
- Portion of GPI ***

Money historically spent

Element 1 2 3

Chapter 45 Incentive Awards
(Outside NSPS)

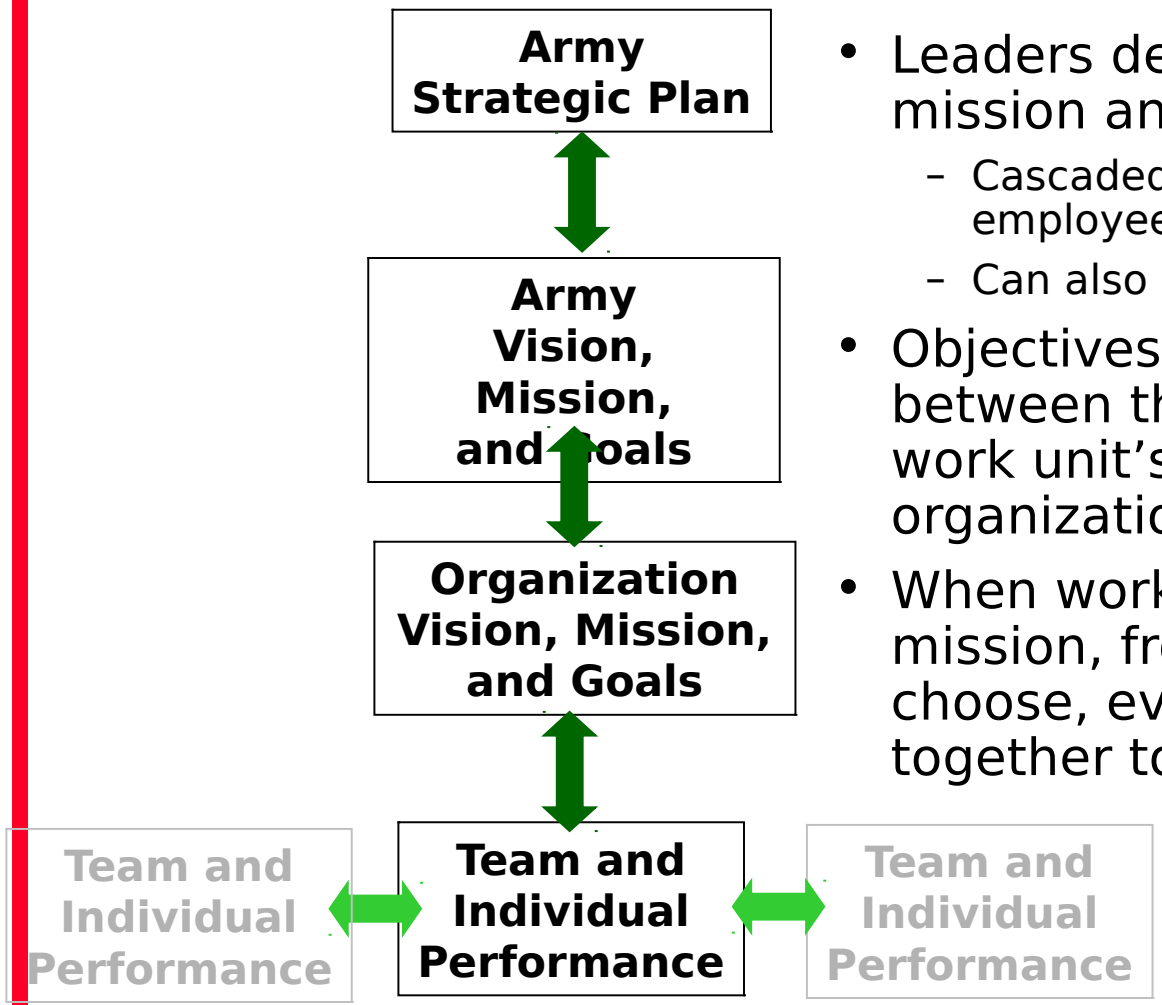
- Special Act
- On-the-Spot
- Time Off

* Funded by annual January pay increase
** Does not exist under NSPS
*** Portion remaining after funding Rate Range Adjustments and LMS
NOTE: - Organizations can add additional dollars for either salary increases, bonuses or both
- Extraordinary Pay Increases (EPIs) and Organizational/Team Achievement Recognitions (OARs) are funded from other sources (NOT from pay pool)

Performance Management Goals

- **Provide results-oriented, mission-focused objectives**
- **Improve individual and organizational performance**
  - **Define the mission, goals, and management processes of an organization and link them to individual goals and objectives**
- **Identify clear and understandable direction (fair, credible, transparent)**
- **Link pay, performance, and mission accomplishment**
  - **Reflect meaningful distinctions in employee performance**
  - **Robust (capable of supporting pay decisions)**

Aligning Work to Mission


Army Strategic Plan
Army Vision, Mission, and Goals
Organization Vision, Mission, and Goals
Team and Individual Performance
Team and Individual Performance
Team and Individual Performance

- Leaders define the organization's mission and strategic goals
  - Cascaded to the work unit and employee objectives
  - Can also align work horizontally
- Objectives draw a line of sight between the employee's work, the work unit's goals, and the organization's success
- When work is aligned to the mission, from any perspective you choose, everyone is working together towards shared goals

Performance Comparison

Old -TAPES

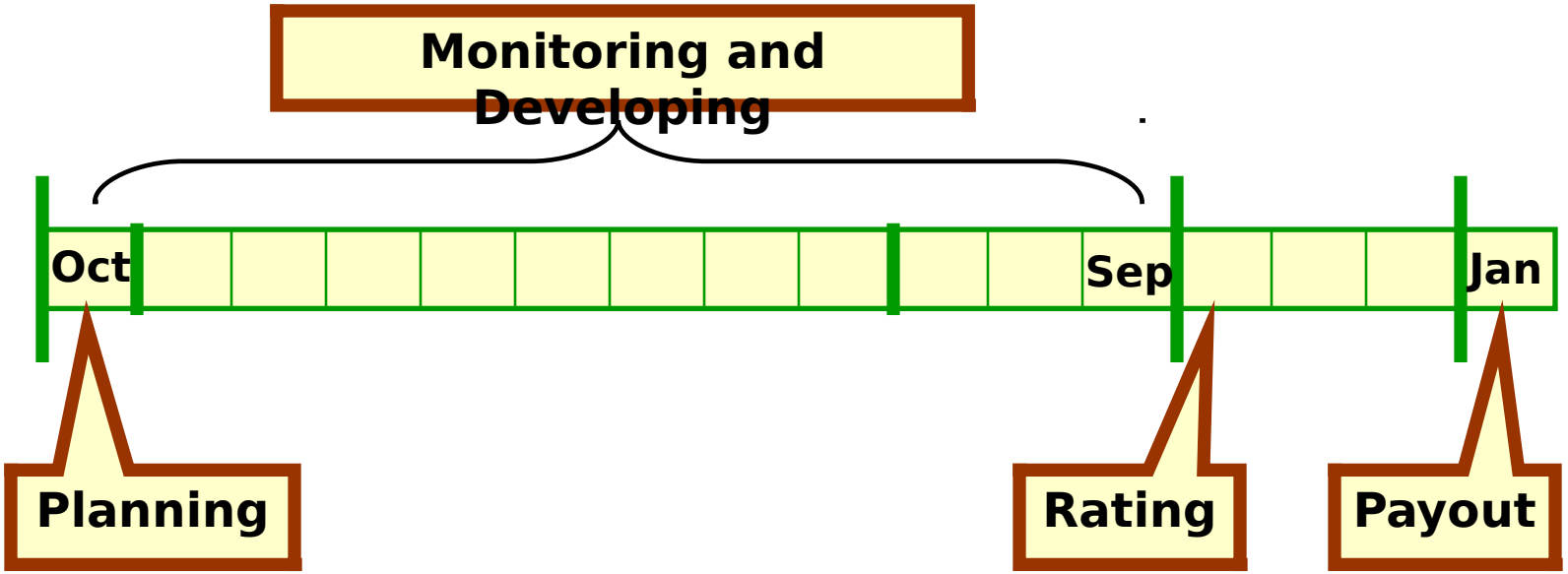
- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 or 2 (Army: 95% were those levels in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

New - NSPS

- Ratings based on job objectives
- One cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be level 3 (valued performer)
- 90 day minimum rating period
- Pay Pool Manager approves ratings

Performance Cycle

The NSPS Timeline:
1 Oct-30 Sep*

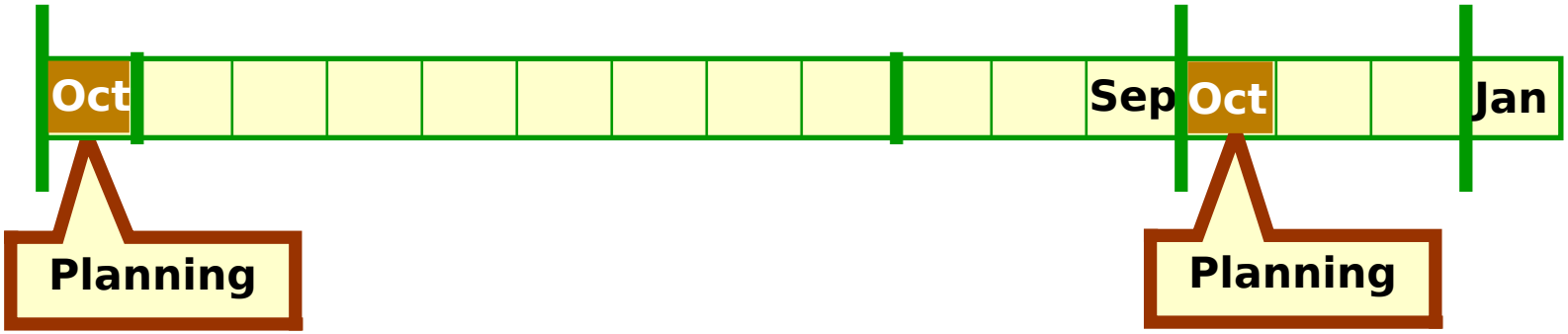


- A 12-month performance cycle
- A 16-month process

* End state model – will vary during conversion

Performance Planning

- **Establish expectations**
- **Establish a written performance plan:**
  - **Identify and discuss objectives**
  - **Select contributing factors**
  - **Establish weighting**
- **Requires higher-level approval**
- **Identify developmental needs**
- **Provide a basis for ongoing dialogue about performance**



Plan Employee Performance

- Job Objectives = "What"
  - **<u>Written</u> jointly by employee and supervisor**
  - **Communicate specific individual, team, or organizational responsibilities and expected contributions with related outcomes and accomplishments**
  - **Draw a line of sight between the employee's work, the work unit's goals, and the organization's success**
  - **Results-oriented and mission-focused**
  - **Must be weighted**
  - **Written in the "SMART" framework**

When communicating job objectives to employees, supervisors need to fully explain the relationship between an employee's accomplishments and achieving organizational goals

SMART Objectives

S - Specific

- Specific regarding the result (not the activities to achieve that result)

M - Measurable

- Quantity, time, quality, resources

A - Aligned

- Objectives link employee's work, work unit's goal, and organization's mission

R – Realistic and Relevant

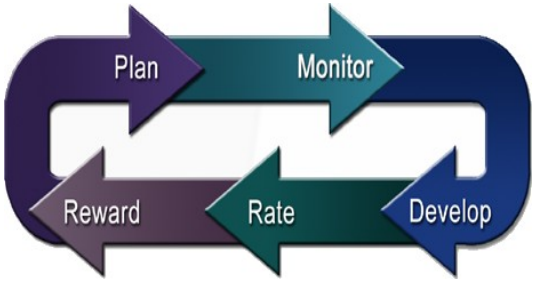
- Realistic: Can be accomplished with the resources, personnel, and time
- Relevant: Are important to the employee and to the organization

T - Timed

- When the objective will start, or when it will be completed

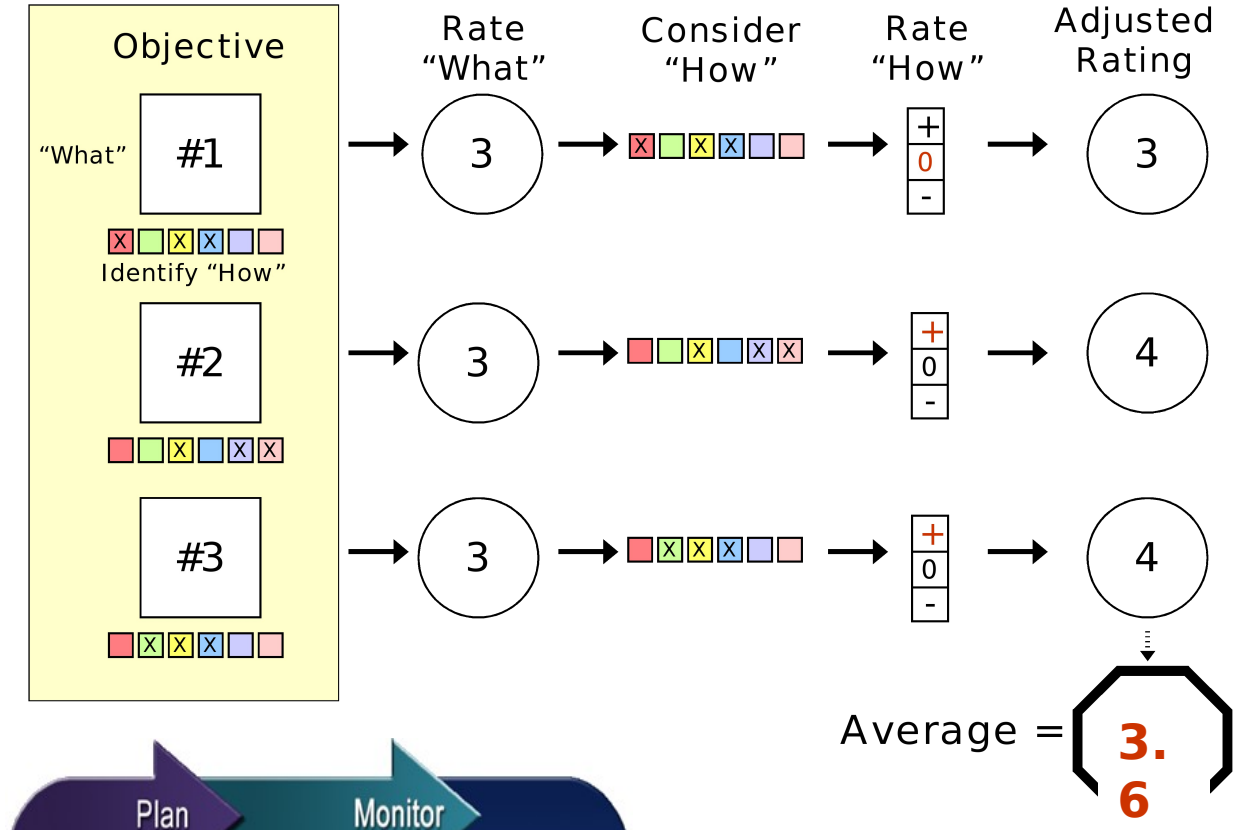
Plan Employee Performance

- **Contributing Factors = "How"**
  - **Selected <u>for each objective</u>**
  - **Attributes of job performance that are significant to the accomplishment of individual job objectives**
  - **Further defined by "work behaviors" and "benchmark descriptors"**
  - **Standard across DoD**
  - **Described at the "Expected" and "Enhanced" level**

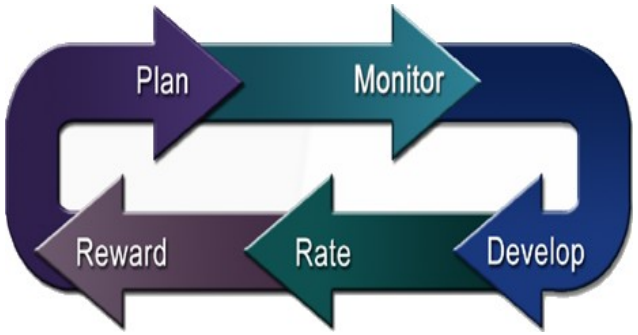


- **Technical Proficiency**
- **Critical Thinking**
- **Cooperation & Teamwork**
- **Communication**
- **Customer Focus**
- **Resource Management**
- **Leadership**

Rate Employee Performance



Rating Level	Share Range
5	**5 or 6**
4	**3 or 4**
3	**1 or 2**
2	**0**
1	**0**



"Victory Starts Here!"

Rating Levels

Standard rating levels used in DoD

Rating Level	Level of Performance	Performance Description
Level 5	Role Model	**Almost always meets the standards described by the Role Model benchmarks**
Level 4	Exceeds Expectations	**Almost always meets the standards described by the Valued Performance benchmarks and, typically, but less than almost always meets the standards described by the Role Model benchmarks**
Level 3	Valued Performance	**Almost always meets the standards described by the Valued Performance benchmarks**
Level 2	Fair	**Almost always meets the Valued Performance benchmarks, but only as a result of guidance and assistance considerably above that expected at the Valued Performance level**
Level 1	Unsuccessful	**Performs below Level 2, or fails a Standard Performance Factor in the performance of a single assignment where such failure has a significant negative impact on accomplishment of the mission or where a single failure to perform could result in death, injury, breach of security, or great monetary loss**

Reward Eligibility

Performance Rating	Employees are eligible to receive:
5	• **Performance based pay** • **Rate range adjustments** • **Local market supplement increases**
4	
3	
2	• **Rate range adjustments** • **Local market supplement increases**
1	• **No increases**

Share Ranges

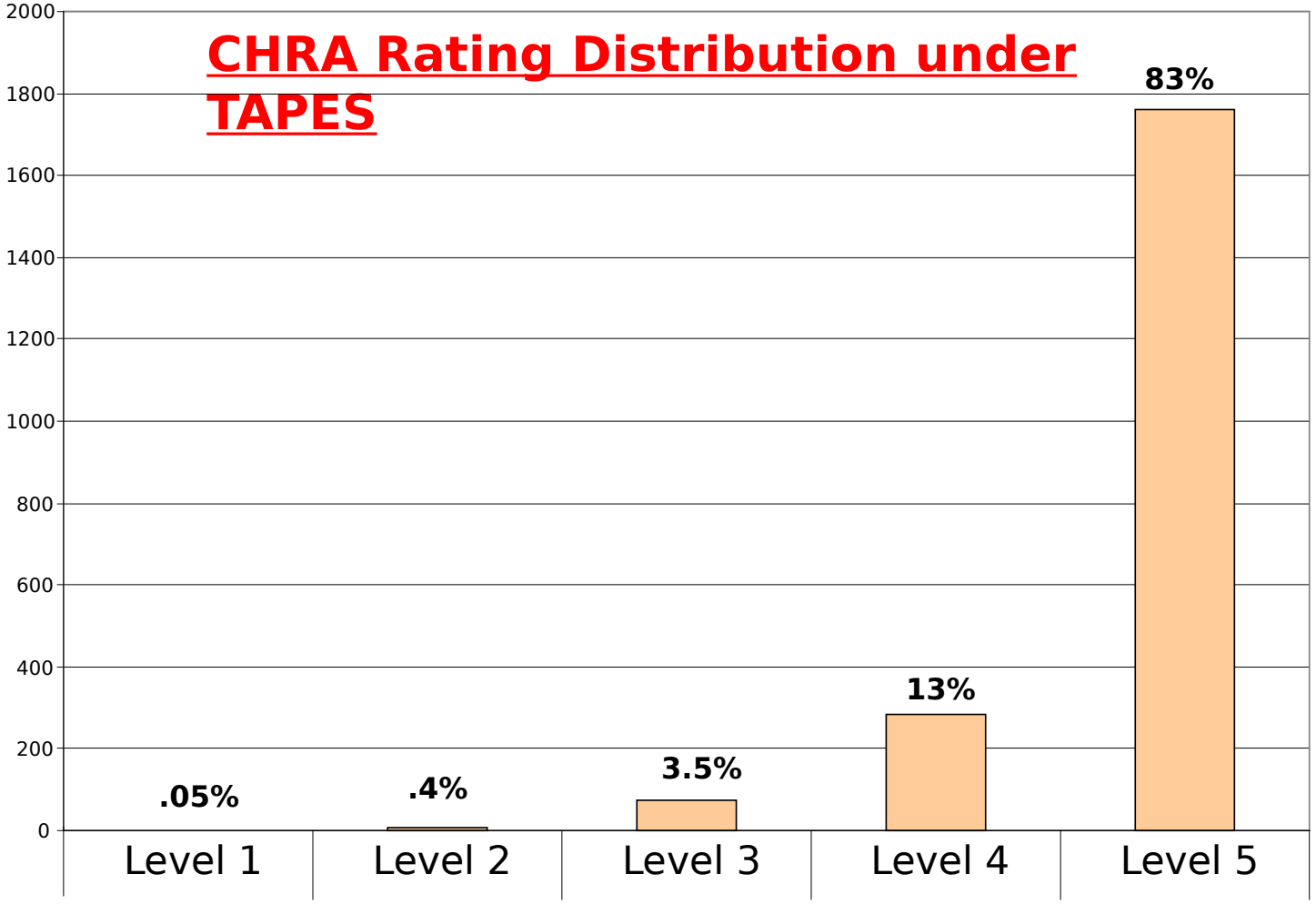
- **Shares in the pay pool are awarded as shown in the table:**

Rating Level	Share Range
5	**5 or 6**
4	**3 or 4**
3	**1 or 2**
2	**0**
1	**0**

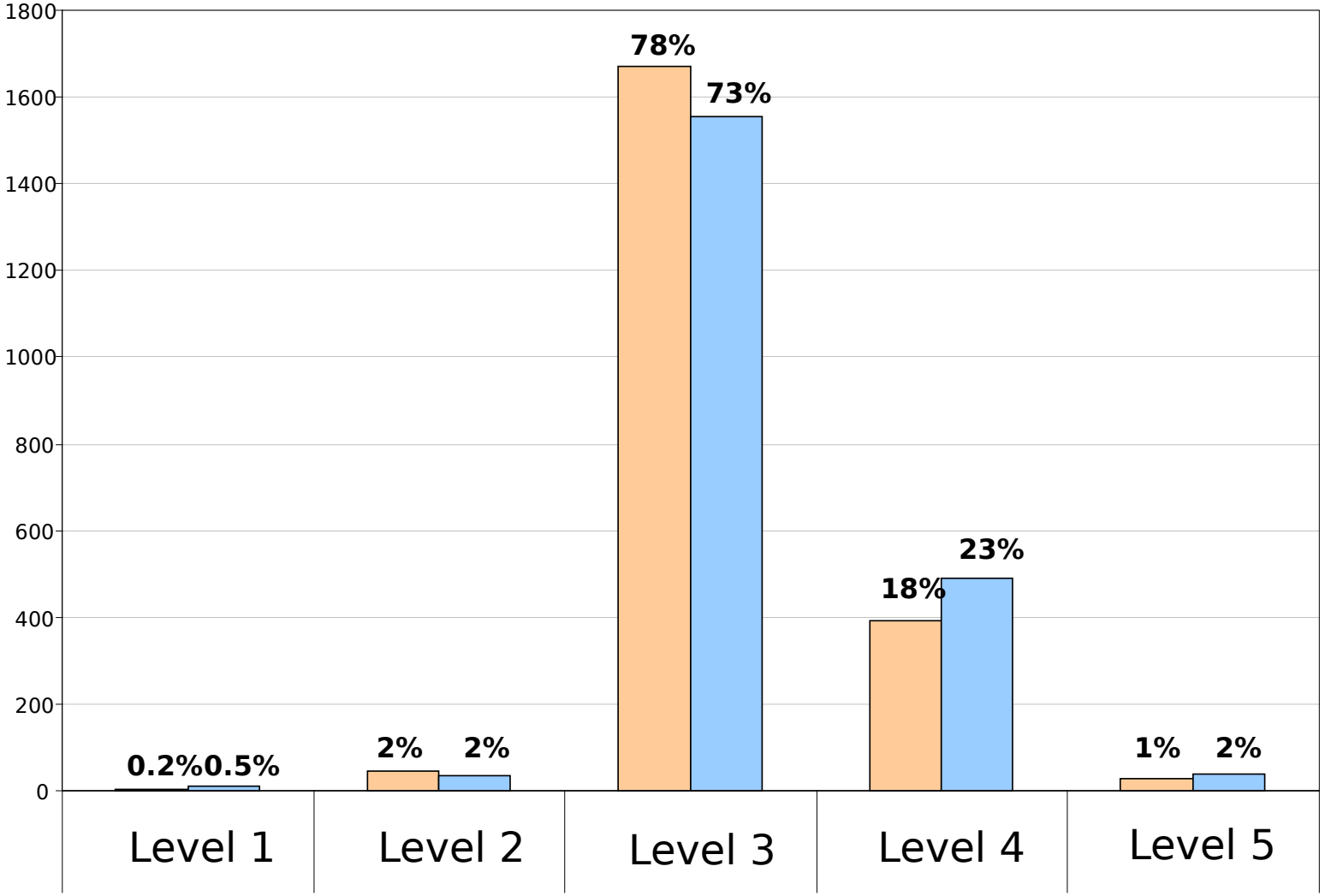
- **Share ranges allow further distinction between levels of contribution**
- **Estimated value of a share reflects a percentage of salary**
- **Actual share value not known until Pay Pool Panel finishes**

The more shares assigned within the pay pool, the less the value of each share

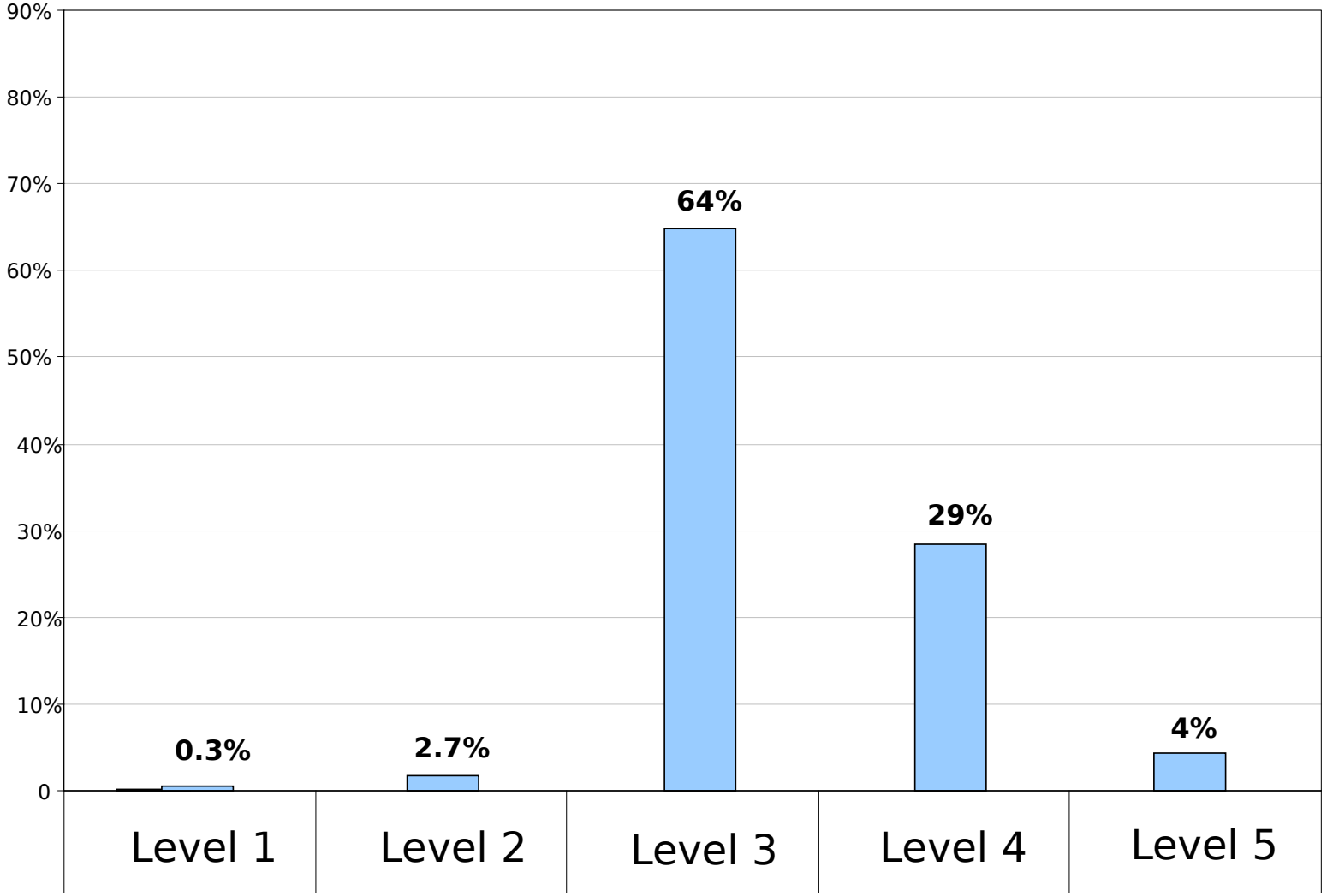
Lessons Learned: Performance Management



CHRA Rating Distribution: Mock vs. Final



DoD Spiral 1.1 Rating Distribution



Pay Pool Basics

- **What is a pay pool?**
  1. **Employees who share in distribution of a pay-for-performance fund**
  2. **The actual pool of money that funds performance payouts**
- **How are membership and boundaries of a pay pool determined?**
  - **By organizational structure**
  - **By similar lines of occupations or jobs**
  - **By geographical location**
  - **By organizational mission**
  - **Other considerations: pay bands, career groups, etc.**
  - **Army guidance: size should range from 35 to 300**
- **Pay pools will be structured differently in different organizations**

Process

- **Supervisor**
  - **Recommends performance rating / number of shares**
  - **Recommends distribution between salary increase and bonus**
- **Higher level reviewer**
  - **Reviews supervisor's recommendations, changes as appropriate**
- **Pay Pool Panel**
  - **Reconciles/changes ratings, shares, and distribution within the pay pool**
- **Pay Pool Manager**
  - **Makes final decisions on rating of record, number of shares, and distribution**
- **Performance Review Authority**
  - **Assures equity across pay pools, resolves requests for reconsiderations**
- **Supervisor**
  - **Conveys final rating, shares, and distribution to employees**

How do we ensure consistency and fairness?

Training/Communicating with the Workforce

- **Training is the key element to successful implementation**
- **Blended approach**
  - **Classroom Training**
  - **Distance learning/Web-based**
- **Key topics**
  - **Performance Management**
  - **Classification**
  - **Staffing/Workforce Shaping**
  - **Compensation**
  - **Pay Pool Management**

Promote a culture that focuses on results, values performance, rewards contributions, and promotes excellence

NSPS TRAINING

- **Mandatory**
  - **NSPS 101**
  - **Employee HR elements and Performance Management Training**
  - **Supervisor HR elements and Performance Management Training**
  - **NSPS Executive Briefing (GO/SES)**
  - **Pay Pool Management Training**

- **Recommended**
  - **NSPS Overview Leadership Briefing**
  - **SMART Performance Objectives**
  - **Core Competency Training**
  - **CLIMB Leadership Training**

HQ TRADOC Implementation Plan

- May 06 – Town Hall Briefings
- Feb 07 – Senior Leader Executive Level Briefing
- Mar 07 – DCG Memo announcing Spiral 2
- Apr 07 – Develop HQ TRADOC Implementation Plan/Timeline
- Apr 07 – Appoint HQ TRADOC Implementation Committee; establish regular meeting schedule
- Apr to Jun – Identify/Notify Spiral 2 (non-bargaining unit) employees
- May - Appoint Organization Transition Managers (TM)
- May - Spiral 2 Town Hall Briefings
- May to Jul – Update/publish organization strategic plans

HQ TRADOC Implementation Plan (cont.)

- Jun/Jul – Complete NSPS 101
- Jun/Jul - Core Competency (Soft Skills) training available
- JUN/JUL - TAPES Appraisal Closeout IAW HQDA Guidance
- Jul/Aug/Sep - NSPS Training (HR Elements and Performance Management/SMART Objectives)
- Aug/Sep – Identify Pay Pool Structure
- Aug/Sep/Oct - Develop NSPS Performance Objectives (align w/organizational goals)
- Sep – Identify Rating Chain
- Sep/Oct – Pre-conversion data review
- 11 Nov 07 – Conversion to NSPS

Lessons Learned

- **Active involvement from stakeholders during implementation planning is critical**
  - **Financial managers, information technology, legal, public affairs**
- **Be cognizant of the considerable time investment required**
- **Communicate often with employees; encourage questions**
  - **Requires ongoing, honest, two way communication about performance**
  - **Managers must articulate rationale for ratings**

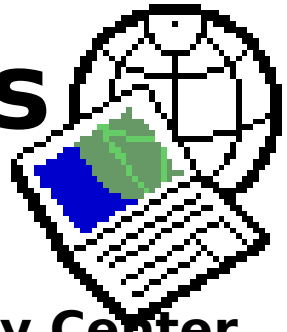
How Employees Can Prepare for NSPS

- Keep abreast of NSPS information – check Army and DoD websites
- Review organization's goals
  - How does my work support these goals?
  - Can I make a greater contribution to my organization's success?
- Attend training
- Develop core competencies
- Seek feedback about performance and recommended developmental activities

How Leaders Can Prepare for NSPS

- Reinforce organizational goals and how employees' work contributes to meeting goals
- Give timely and specific feedback on performance
- Keep abreast of NSPS information
- Host informal or formal meetings to discuss NSPS
- Provide an open and supportive environment
- Attend training and ensure employees are trained

Additional Resources



- **Your strategic partner - Civilian Personal Advisory Center**
- **TRADOC website: http://www.tradoc.army.mil/dcspil/cpd/nsps.htm**
- **CHRA NSPS website: http://www.chra.army.mil/**
- **Army NSPS website: http://cpol.army.mil/library/general/nsps/**
  - **Contains latest Army information**
- **DoD's NSPS website: http://www.cpms.osd.mil/nsps/**
  - **Contains implementing issuances / on line training / other materials**